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21 **UNITED STATES BANKRUPTCY COURT**
22 **FOR THE DISTRICT OF OREGON**

23 In re:

24 AIRCRAFT INVESTOR RESOURCES, LLC
25 a Nevada limited liability company;
26 Debtor

27 Case No. 09-38458-RLD11
28 Chapter 11 voluntary

DECLARATION OF CHRISTOPHER SANDERS IN SUPPORT OF
DEBTOR'S MOTION TO DISMISS CASE

29 I, Christopher Sanders, am Chief Executive Officer of Aircraft Investor Resources, LLC, the
30 debtor in this bankruptcy case. I declare the following statements based on my personal knowledge
31 of the situation and circumstances facing the Debtor, to the best of my recollection:

32 1. After numerous queries to many local Portland firms, Debtor's counsel was unable to
33 identify any local firms that were: (i) not already conflicted; (ii) had the expertise; and (iii) had the
34

1 capacity to take on a case of this size. I recently identified at least three adversarial proceedings to be
2 initiated, which increased the requirement to find a firm with the capacity to handle it.

3 2. Debtor was able to identify two Portland firms that met the requirements. Both insisted
4 on six-digit retainer fees, to be paid out of third-party funds. One firm indicated a potential run-rate
5 of \$100k/month. Debtor's principals are unable and/or unwilling to meet the retainer demand.

6 3. As Debtor's new management, I have identified a path forward for the company – one
7 which can address the concerns of all of debtor's creditors. A letter describing that vision is being
8 contemporaneously distributed to the primary creditors.

9 4. Debtor has substantial assets whose value can best be realized in ongoing operations, or a
10 controlled liquidation of a subset of its assets, e.g., its 50% interest in the TAM-AIR joint venture.
11 For instance, TAM recently indicated interest in buying out Debtor's 50% interest in TAM-AIR, but
12 only upon certain actions being performed by Debtor. As another example, in early 2009, Debtor
13 received a substantial offer from a third party for certain of its assets, but any renewal of such an
14 offer is clearly dependent on having ongoing operations and technical know-how, not just CAD
15 drawings.

16 5. In my business judgment, based on current and potential actions of creditors, Debtor does
17 not have the time or resources to develop a confirmable Chapter 11 plan. Rather, it hopes to quickly
18 adjust operations outside of bankruptcy court, based on the terms described above, thus relieving
19 pressure from its primary creditors. Its minor creditor claims would survive and be paid in normal
20 course.

21 6. Given the current situation described above, the requested dismissal is clearly in the best
22 interest of the creditors and the estate.

23 7. I have recently discovered, post-petition, that prior management let its business insurance
24 lapse. I am having substantial difficulty in getting any carrier to provide a quote in providing
25 insurance for a company while in bankruptcy.

26 8. The situation as described in the prior section provides such cause, namely: (i) that
27 debtor's asset value can best be realized outside of bankruptcy; (ii) that it has a prospective path
28 forward that would relieve most or all of the critical creditor pressure; and (iii) that it cannot afford

1 to hire local counsel to press forward on the multiple fronts (including litigation and plan
2 confirmation) that would be present if the case were to continue.

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6 I make the foregoing statements on October 20, 2009, under penalty of perjury under the laws
7 of the United States.

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10 CHRISTOPHER SANDERS
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